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15 September 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Audio Surveillance and Countermeasures
Problems within the Intelligence Community

1. This memorandum contains a recommendation for the approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 9.

2. There has been a long history of attempts to reach agreement within the intelligence community on the problem of coordination of audio surveillance and countermeasures. The highlights of this whole process are listed below:

a. McGeorge Bundy wrote a memorandum on October 7, 1963, to the DCI and to the DIA asking for recommendations from the DCI, "in consultation with the departments and agencies concerned."

b. It was impossible to reach agreement and it was decided to forward the CIA position to Bundy. This was done in a memorandum from the Acting DCI, 12 March 1964. State and DOD submitted dissenting recommendations in April.

c. Bundy asked in June that the Chairman of USIB come up with coordinated proposals by 20 July 1964. It was impossible to meet this deadline. The FIAB then scheduled the item for its August 7 meeting. This part of the agenda was cancelled because of conflicting demands on the Board's time.

d. Since then, the differences have been narrowed to one point, on which there is no possibility of voluntary agreement.

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3. The CIA proposals of 12 March 1964 were:

- a. No additional authority or machinery required to effect coordination of clandestine operational activities.
- b. Research and development on positive audio to rest with CIA as a service of common concern.
- c. Establish two subcommittees under the USIB Security Committee -- one for technical inspections and requirements and one for R&D in the counter-audio field. State to chair the first, CIA the second.

The DOD comment, prepared by Fubini's office, was very confused. State felt that it must retain the chairmanship of any audio countermeasures committee. It preferred to retain the present Special Committee under the NSC, but if necessary agreed to transferring this to USIB, provided it was an independent committee, not a subcommittee of Security. The FBI concurred generally with the CIA position.

4. In June General Carter discussed this matter with Bundy. He agreed that the resolution of differences of this kind appears to fall properly within the cognizance of the DCI.

5. Recent extended negotiations with Defense have resulted in DOD agreement to a modified CIA position. (A by-product of this negotiation has been the assertion by General Carroll of DIA's primary role in this field, within DOD.) The FBI originally concurred at the working level, but now asks that its position be recorded as "interposing no objection." (We understand that this language is designed to avoid giving the appearance of supporting CIA in a disagreement with State and is not meant to imply any reservation in substance.) The Department of State is still unwilling to budge on the matter of the committee chairmanship (explained in paragraph 6 below).

The shifts which have been made in the CIA position to accommodate so far as possible the views of other agencies, and which are agreed to by DOD and are satisfactory to the FBI are:

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a. CIA, under the authority of the DCI, will establish procedures with the DIA and with the FBI for coordination of R&D in the positive audio field.

b. The NSC Special Committee will be dissolved and a new and independent audio countermeasures committee of the USIB will be established. This will be chaired by a CIA representative.

(DIA supports CIA chairmanship of the parent committee, and we understand would oppose State's chairing it. CIA and DIA agree that the Technical and Research and Development subcommittees of this new committee should be chaired at this time by State and CIA respectively. DIA feels however that these chairmanships should eventually be rotated to other agencies. Because of this, DIA would not agree to specific language in the Bundy letter as to the chairmanship of any committee other than the parent one.)

In addition DIA agrees to consult with CIA on the use of audio surveillance operations by the military in non-intelligence investigations overseas, to the degree required to avoid undue risk to sensitive espionage operations.

6. State still insists on chairing this proposed new committee. They base this stand on the contention that their experience and competence in counter-audio activities, including research and development "exceed those of any other agency;" that they control the diplomatic installations abroad; and that they now chair the NSC Special Committee. They would not oppose CIA's chairing the R&D subcommittee, provided State chairs the Technical subcommittee along with the parent committee.

In actual fact CIA is planning a considerably increased research and development program, and Defense also has rather ambitious plans in this connection. It is questionable that State will be in a position, if in fact it ever has been, to exercise a significant impact on new research and development efforts. As to the real estate involved, there are of course large and sensitive military headquarters overseas, which represent a sizeable commitment and one that can certainly lay claim to magnitude of at least the same general

order as State's. Additionally, there is a feeling in various elements of the Government -- perhaps intangible and possibly unfair -- that the recently revealed situation in the Moscow Embassy indicates some inadequacy in existing procedures.

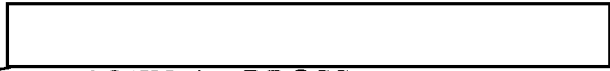
7. It should be noted that the proposal for a new and independent USIB committee involves a matter of organization which has wider significance than the audio and counter-audio problem itself. That is, this tends to reverse in some small degree the recent trend toward reducing the number of USIB committees. On the other hand, this represents a major -- and probably desirable -- concession to State; and it is in fact logical that this function should be overseen by an independent committee since it involves activities beyond the usual role of the Security Committee.

8. The attached memorandum from you to Mr. Bundy summarizes the present position, as outlined above. It clearly indicates the recommendations agreed to by CIA and DOD, and "not objected to" by the FBI. State's dissent is included as an attachment.

9. It is recommended:

a. That you sign the attached letter to McGeorge Bundy.

b. That you or General Carter suggest to Mr. Bundy that as discussed with him in June the entire matter be referred to the DCI for resolution, through the medium of a NSAM, proposed draft of which is attached. (You will note that the NSAM does not designate the Chairman of the proposed new committee -- which is the point at issue -- since this kind of stipulation would probably be out of place in such a document. But it authorizes the DCI to establish the committee and thus implicitly to choose its chairman.)


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Attachments:

- A. Letter from DCI to McGeorge Bundy
- B. Proposed NSAM

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